

MANAGING THE JUDICIARY'S COOPERATIVE REIMBURSEMENT AGREEMENT (CRA)

A MANUAL FOR CIRCUIT COURT CLERKS

October 2012

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I. BASIC INFORMATION ABOUT THE JUDICIARY'S CRA

What is the CRA?

Each year the Maryland Judiciary enters into a "Cooperative Reimbursement Agreement" or "CRA" with the Maryland Child Support Enforcement Administration (CSEA). The CSEA is the entity in our State designated to receive and administer federal funds for child support. Through our CRA the Maryland Judiciary receives federal funds to reimburse us for the work our courts do to establish, modify and enforce child support orders involving the Offices of Child Support Enforcement. Funds are for work that is authorized under Title IV-D of the Social Security Act.

What are IV-D Activities?

The Maryland Judiciary can be reimbursed for activities that qualify as "IV-D" activities. This "federal financial participation" is available to courts for certain key activities as defined in 45 CFR 304.20 (b) (2-8) and 45 CFR 304.21. This includes the establishment of paternity and the establishment and enforcement of support obligations to the extent that the case involves the local child support agency. In other words it includes those cases in which a party has assigned the right to establish and enforce orders and collect support through the child support agency. This includes cases in which the party has paid the \$25 for the agency to enforce support, or cases where the parties are receiving or previously received public assistance, foster care or medical assistance and have assigned to the State the right to collect support.

Note that IV-D activities do *not* include judicial salaries, or other expenses including training and travel costs associated with judges. However, those types of expenses can be provided for non-judicial court staff including masters.

How Much Money Does the Judiciary Receive Under the CRA?

The Judiciary receives several million dollars each year under the CRA. Essentially we receive .66 cents for every dollar spent to support the child support system, excluding judges' salaries and related expenditures.

The Judiciary may include in the CRA costs associated with establishing, modifying and enforcing child support in cases involving the local support agency. Those costs may include salaries and benefits for clerk's office staff, masters and non-judge employees. Note that federal child support funds may *not* be used to reimburse the State for judges' salaries, benefits, or judicial training and travel.

Who Else Has CRAs?

Any state entity that contributes to child support establishment, modification or enforcement can enter into a CRA with CSEA and be reimbursed for those expenditures. Each local child support office is funded by a CRA. Sheriff's Offices often have CRAs through which they are reimbursed for the costs of executing service. Finally, if the court has county employed support staff that assists masters with IV-D work, then the master's office or court administrator may manage a CRA through which the county is reimbursed for its costs in supporting those positions. Note that these county CRAs are *different* from the CRA entered into by the Judiciary. The Judiciary's CRA provides reimbursement for state positions and expenditures only.

Is the CRA a Grant or Contract?

The CRA has elements of both a grant and a contract. If we actually expend resources in activities that are covered by the relevant federal law, then the federal government, through the Maryland CSEA, must reimburse the State, so long as those items were included in the CRA.

What Rules Apply in Spending These Monies?

The Judiciary must agree to abide by certain federal regulations that govern what type of expenditures may be included. As with all federal grants, the Judiciary must follow its own procurement and personnel policies in expending those funds. When expenditures are covered by the CRA, it becomes particularly important that we follow our regular policies.

What Happens If We Do Not Use These Funds in Accordance with the CRA or Federal Regulations?

If funds are spent in a manner differently than that intended by the CRA or proscribed by the federal regulations, then we cannot invoice CSEA and be reimbursed for those activities. The State loses federal money it anticipated receiving and funds that were included in the Judiciary budget.

If we invoice CSEA for activities that later turn out to be incorrect, or if we did not follow our own policies or federal regulations in expending funds, those funds may have to be returned to the federal government. This may occur after an audit. As a recipient of federal funds through CSEA, we are subject to regular audits by the legislative auditors, and can also be subject to federal audits.

II. BUDGET PLANNING WITH THE CRA

The CRA Follows the Federal Fiscal Year

Each CRA follows the federal fiscal year cycle which begins each year on October 1. This means that each CRA covers two state fiscal year cycles. For example, the CRA for the period October 1, 2012, through September 30, 2013, involves State Fiscal Years 2013 and 2014.

In negotiating the CRA, the Administrative Office of the Courts must project positions and expenditures for each jurisdiction for both state fiscal years, even though we do not always know whether or not you will have new positions.

Project Your Needs for Two Fiscal Years

Each Spring, the Administrative Office of the Courts contacts Circuit Court Clerks to determine which positions you will need to include in the CRA for the federal fiscal year beginning the next October. You will need to be able to tell us at that time, how many positions you have and how much time each will spend on Title IV-D activities during the next fiscal year, and the one following that. You can make changes in position usage when the fiscal year turns over.

Be sure to include requests for new positions in your regular budget request to the Judiciary. The information you provide for the CRA is only used to generate the new CRA application. You must be sure to also request new positions and position changes in the budget request you prepare and submit to the Finance Department and State Court Administrator.

III. MANAGING CRA POSITIONS AND EXPENDITURES

Use Staff as Designated in the CRA

Once the CRA has been negotiated, it is essential that you assign staff to work on IV-D matters for at least as many hours as indicated for them in the CRA. Deviations from the work allocation listed in the CRA can have significant fiscal consequences for the Judiciary:

- ❖ *If IV-D employees work **less** than the number of hours indicated in the CRA, then the Judiciary actually loses real dollars.* The General Assembly reduces our state appropriation by the amount of federal IV-D funding we expect to be reimbursed under the CRA. If your employees work less than the time designated, then we cannot bill for those hours, and the state funds are not there to cover them.
- ❖ *If IV-D employees work **more** than the number of hours indicated in the CRA, then the State of Maryland loses potential federal funding.* If your office had anticipated using those additional hours, we could have

included them in the CRA and captured additional federal funds for the State.

Please try to match as accurately as possible the number of hours and the actual personnel you will be assigning to handle IV-D matters.

Please note that expenditures or staff time not expended in one quarter cannot necessarily be made up in later quarters. Because the CRA covers two state fiscal years, we cannot always bill for additional time made up late in the contract period.

Notify the AOC of any Terminations, Vacancies, New Hires or Substitutions Involving CRA Employees

It is essential that your office notify the Administrative Office of the Courts any time there is a personnel change involving an employee included on the CRA. This includes any terminations, vacancies, new hires or any time you request permission to substitute one employee for another, even if only temporary. Notify **all** of the following three individuals with any changes:

Budget Supervisor (Finance)	ralph.sherrill@mdcourts.gov
HR Representative (Human Resources)	susan.hardisty@mdcourts.gov
Financial Officer (Dept. of Family Admin.)	mona.wilhelmy@mdcourts.gov
Fiscal Accounts Tech. (Dept. of Family Admin.)	cra@mdcourts.gov

Be Sure to Make Anticipated Expenditures Included in the CRA

For the same reasons discussed above, you should purchase items and make additional expenditures as you had anticipated and, as was included by AOC in the CRA during the fiscal year. If you planned to use funds for IV-D office expenditures, be sure to expend those funds as anticipated so that the Judiciary can bill for the expected reimbursement.

Full-Time Employees Must Use the IV-D Employee Certification Form (Form F)

Federal regulations require that all employees included on the CRA complete a project timesheet that reflects their actual hours worked on IV-D matters.

- ❖ Employees who **do IV-D work 100% of the time** they are working (whether or not they are full-time or part-time employees) do **not** need to complete a separate project timesheet. **These employees must complete and sign the Federal Program Employee Certification Reporting Form twice a year in April and October and submit to DFA.** The words “IV-D” should appear on their regular Judiciary timesheet. The Judiciary maintains copies of these timesheets and can make them available in the event we are audited.

Accounting Requirements and Audits

Please note that all financial records should be maintained for review at a minimum of 3 years based on the Administrative Office of the Courts grant policies as stated below:

e. Accounting Requirements and Audits - The grant-awarding department shall require recipients to maintain full and accurate records of all financial transactions and accounts related to the grant-funded project for a minimum of three years after the grant period ends and until Maryland's Department of Legislative Services – Office of Legislative Audits has completed its audit, including requests for payment and receipts for expenses incurred, and time sheets for any salaries paid for with grant funds. The grant-awarding department shall explain that these records must be available for review by the Judiciary (personnel from the grant-awarding department, the Judiciary Grants Coordinator and/or the Internal Audit Department) at any time.

Additionally, the documentation and calculation of expenditures will be requested each year and must include the following information as requested by CSEA:

"The Child Support Enforcement Agency is aware that each child support unit within the respective Clerks' Offices uses only a percentage of the supplies, photocopies and postage purchased for the entire office. A copy of the actual invoice, however, is required according to the OIG. The invoice must display a cost per unit rate and also be accompanied by a statement showing the cost attributable to the IV-D program services. IF the invoice does not show a cost per unit rate, then the office must provide the methodology used to arrive at the cost of the expenditure."

Part-Time Employees Must Use the IV-D Project Timesheet (Form A)

- ❖ Employees who are only **doing IV-D work part of their work week** (whether or not they are full-time or part-time employees) must complete the IV-D project timesheet, in addition to their regular Judiciary timesheet. You must use these project timesheets to report on the actual number of hours that employee worked on IV-D matters each quarter. ***Retain these project timesheets in your office as they are subject to audits by the state and federal auditors. You must also forward a signed copy by both the employee and supervisor to the AOC by the 10th day of each month prior. For June 30, 2013 a signed copy must be submitted by July 5, 2013.***

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IV. REPORTING CRA STAFF TIME, EXPENDITURES AND STATISTICS, AND REVENUE (RECAPTURE REPORT)

Deadline for Reporting

Submit all reporting requirements for the CRA by the **10th day of each month** for the month prior, and for June 30, 2013 by July 5, 2013.

Report Staff Time Using the Form “Employees Hours” (Form B)

Use the form entitled, “Employees Hours,” to report the time each individual employee spends on Title IV-D matters each month.

- ❖ The AOC will email each clerk customized forms to be submitted each month.
- ❖ At the conclusion of each month, complete the form by entering the number of IV-D hours from both project timesheets for each employee for each month.
- ❖ Assign work to ensure that each employee works *at minimum each pay period* the number of hours shown in the third column.
- ❖ Submit the “Employees Hours” form by **email by the 10th of each month prior and for June 30, 2013 by July 5, 2013.** This should be maintained cumulatively for each quarter. Just fill in the appropriate hours per month and email it to:

cra@mdcourts.gov

Report Additional Expenditures Using the “Journal Allocation” Form (Form C)

Report additional expenses you incur for IV-D matters, as projected in your jurisdiction’s portion of the CRA using the form labeled, “Journal Allocation - ____ Quarter Expenses – Child Support.”

- ❖ The AOC will email each clerk customized forms to be used for each quarter.
- ❖ At the conclusion of each month, complete the form by entering the expenditures in each category.
- ❖ Complete *only* the section on the upper left side of the page that says “Completed by Clerks Office.”
- ❖ Submit the “Journal Allocation” form **by the 10th of each month prior and for June 30, 2013 by July 5, 2013** and email to:

cra@mdcourts.gov

Report on the Types of IV-D Activities Handled Using the “Monthly Statistical Report” Form (Form D)

In order to be eligible to receive Title IV-D funds, the Judiciary must be able to show that we are doing the work for which we are being reimbursed. We document our efforts to establish, modify and enforce child support by collecting and reporting statistical information on the cases handled, hearings held, and orders issued in Title IV-D matters.

To clarify the reporting of statistics:

UCS has created codes for each of the different orders of enforcement. So UCS does have the capability to document each order of enforcement.

The Order will need to be reviewed to determine the correct code to docket (enter into UCS) i.e.

The clerks will need to read the form to determine if multiple "orders" are on the same document.

The clerks will then need to "docket" each code for the orders of enforcement in UCS.

For example on the same UCS Case:

If the Order specifies "Order Establishing Support" the clerks will docket "FOES" in UCS.

If the same Order specifies "Earnings Withholding Orders" the clerks will docket "FWHO" in UCS on the same case.

Collect statistical information about those activities and report them on the “Monthly Statistical Report” Form:

- ❖ Submit the “Monthly Statistical Report” form **by the 10th of each month prior and for June 30, 2013 by July 5, 2013** and email to:

cra@mdcourts.gov

Report IV-D Court Costs Collected by Clerks Using the “Federal Fund Recapture Report” (Form E)

Any court costs collected by clerks in IV-D matters must be deducted from the reimbursement the Judiciary receives under the CRA. An example of such costs may include court costs billed to and collected from unsuccessful respondents in a IV-D contempt matter.

Report court costs collected by your office in IV-D matters by doing the following:

- ❖ Identify IV-D court costs through the cash register system when those fees are collected.
- ❖ Generate the Federal Fund Recapture Report, which shows those revenues. That report should be generated each **month**.
- ❖ Submit the report by the 10th of each month prior and for June 30, 2013 by July 5, 2013 to:

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Summary of Reporting Requirements

The CRA reporting requirements for clerk's offices are summarized in the table below:

Report Name	When to Submit	Submit To	Notes
IV-D Timesheets FORM A	Monthly	Mona Wilhelmy, DFA, AOC	Also retain a copy in the Clerk's office.
Employees Hours Report FORM B	Monthly	cra@mdcourts.gov	Be sure the hours reported for each employee corresponds to their timesheet (regular and IV-D).
Journal Allocation (additional expenditures) FORM C	Monthly	cra@mdcourts.gov	Be sure to have documentation to back up all expenditures. This does not need to be submitted but should be available in the event of an audit.
Monthly Statistical Report FORM D	Monthly	cra@mdcourts.gov	
Federal Fund Recapture (Revenue) Report FORM E	Monthly	Mona Wilhelmy, DFA, AOC	Identify IV-D clerk's fees on the cash register system. The report can then be generated from the report available on the Accounting 2000 system.
Child Support Enforcement Administration Federal Program Employee Certification Reporting Form FORM F	Every 6 months	Mona Wilhelmy, DFA, AOC	Employees working 100% on the Cooperative Reimbursement Agreement (CRA) with the Maryland Department of Hyman Resources/Child Support Enforcement Administration (CSEA).

❖ **SUBMIT ALL REPORTS BY THE 10TH DAY OF EACH MONTH FOR THE MONTH PRIOR EXCEPT FOR JUNE 30, 2013 WHICH IS DUE BY JULY 5, 2013.**

APPENDIX

FORMS